
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 1.7.2010

Wall Street Journal: "Dodd's Retirement Muddles Financial Overhaul ...The planned retirement of Sen. Chris Dodd complicates the overhaul of financial regulation that is one of the Obama administration's top priorities, congressional aides say."

Washington Post: "Dodd's retirement decision may boost chances for financial regulatory overhaul... As Sen. Christopher J. Dodd (D-Conn.) winds down his 30-year run in the Senate, his top remaining priority -- a landmark piece of legislation that could shape his legacy -- is an effort to enact the greatest overhaul of the nation's financial regulatory system since the Great Depression."

New York Times: "Some at Fed See a Need to Do More for Housing ... Despite extensive government intervention in the housing market, some policy makers at the Federal Reserve are worried that even more might need to be done."

Wall Street Journal: "FDIC Weighs Tying Fees to Banks' Pay ... The Federal Deposit Insurance Corp.'s board could vote next week to propose tying the fees lenders pay the agency for deposit insurance to the risk profile of compensation packages for executives, people familiar with the matter said. The plan, if adopted by the regulator, could serve as both a carrot and a stick for lenders. Banks with compensation structures the FDIC views as less risky, such as those that allow firms to claw back pay from executives, could be given a break on the fees they pay on deposit insurance.."

Wall Street Journal: "Congress Has Hedge Funds, Buyout Firms In Tax Sights ... The "carried-interest" tax debate has re-emerged in Congress, threatening to more than double taxes on some of the country's wealthiest individuals-private-equity and hedge-fund managers. The issue flared in 2007, only to die when the financial crisis struck. This time around, amid soaring deficits and hostility over Wall Street pay, most fund managers have resigned themselves to higher tax bills."

The Hill: "Financial overhaul efforts likely to get boost from Dodd's retirement plans...Sen. Chris Dodd's retirement increases the likelihood of financial overhaul legislation passing this year, industry lobbyists and consumer activists say. Dodd (D-Conn.) decided to remain chairman of the Senate Banking Committee last year in part to oversee wide-ranging changes to how the nation's financial system is regulated."

Roll Call: "Onlookers Hope Dodd's Retirement Plan Helps Push Banking Reform...Congressional Republicans and financial services lobbyists alike said Wednesday that they hope the retirement of Senate Banking, Housing and Urban Affairs Chairman Chris Dodd (D-Conn.) will not blow up bipartisan banking reform legislation this year. While Dodd's announcement could slow the regulatory reform effort, financial services lobbyists said the decision could ultimately help push the Senate to act before the end of the year."

Bloomberg: "Geithner's New York Fed Told AIG to Limit Swaps Disclosure... The Federal Reserve Bank of New York, then led by Timothy Geithner, told American International Group Inc. to withhold details from the public about the bailed-out insurer's payments to banks during the depths of the financial crisis, e-mails between the company and its regulator show. AIG said in a draft of a regulatory filing that the insurer paid banks, which included Goldman Sachs Group Inc. and Societe Generale SA, 100 cents on the dollar for credit-default swaps they bought from the firm. The New York Fed crossed out the reference, according to the e-mails, and AIG excluded the language when the filing was made public on Dec. 24, 2008."